

APPENDIX A: THE CLINTON ADMINISTRATION'S DRUG CONTROL STRATEGY

In February 1994, the Clinton Administration delivered the 1994 *National Drug Control Strategy* to the Congress, with the President's 1995 request for funding for programs related to the war against illegal drugs. The format of the request for international programs, which includes funding for programs in Colombia, Peru, and Bolivia, differs from previous years (see Table A-1).

Funding for an integrated International Narcotics Control (INC) program, coordinated by the U.S. Bureau of International Narcotics Matters (INM), includes funding for foreign military financing, international military education and training, Economic Support Fund, and development assistance programs. As noted in the strategy, "The INC Program proposal for FY1995 incorporates the funding for Economic Support Fund, Development Assistance (formerly scored within the Agency for International Development budget), International Narcotics Matters funding, Foreign Military Financing and International Military Education and Training (formerly scored within the Bureau of Politico-Military Affairs budget)."¹ Under the INC program, funding for those programs makes up the bulk of the President's consolidated budget for the International Narcotics Trafficking, Terrorism, and Crime Bureau, which also includes funding for antiterrorism assistance and international criminal justice. (The request for the INC program does not include funding for support from the Drug Enforcement Administration; that funding has been requested under the Department of Justice.)

According to the strategy's program summary, INM's responsibilities include "developing, implementing, and monitoring U.S. international counternarcotics strategies and programs in support of the *President's National Drug Control Strategy*. INM functions also include foreign policy formulation and coordination, program management, and diplomatic initiatives."² The program summary provides the following statements:

"The President has identified international narcotics control as a major U.S. foreign policy objective. The Department of State and other agencies will work together to respond to the international narcotics problem by highlighting a new strategy that will stress greater multilateral efforts to strengthen democratic institutions, making them more effective in fighting international trafficking syndicates."³

1. Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary* (February 1994), p. 181.

2. *Ibid.*, p. 133.

3. *Ibid.*, p. 134.

**TABLE A-1. BUREAU OF INTERNATIONAL NARCOTICS MATTERS: A
SUMMARY OF RESOURCES (By fiscal year, in millions of dollars)**

	Budget Authority		
	1993 ^a Actual	1994 ^a Estimate	1995 ^a Request
Drug Resources by Function			
International	336.4	147.1	227.8
Prevention	<u>5.0</u>	<u>9.9</u>	<u>4.0</u>
Total	341.4	157.0	231.8
Drug Resources by Decision Unit			
International narcotics control program			
Assisting institutions in other countries	319.0	136.5	204.3
International cooperation	6.8	5.0	11.5
Administrative support	<u>15.6</u>	<u>15.5</u>	<u>16.0</u>
Total	341.4	157.0	231.8 ^b

SOURCE: Congressional Budget Office based on data from the Office of National Drug Control Strategy, *National Drug Control Strategy, Budget Summary* (February 1994), p. 133.

NOTES: The following notes accompany the President's strategy:

a. "In FY 1993 and 1994, funding for Foreign Military Financing (FMF), Economic Support Fund (ESF), International Military Education and Training (IMET), and Development Assistance (DA) programs were not included in the International Narcotics Matters (INM) budget. In FY 1995, the consolidated International Narcotics Trafficking, Terrorism, and Crime Bureau (NTC) budget includes funding for these programs. For presentation purposes, the totals in FY 1993 and FY 1994 include funding for INM, FMF, ESF, IMET, and DA programs."

b. "\$7.2 million of the \$231.8 million is attributed to programs in Asia."

"The reorganization of international narcotics control and the 1995 budget are designed to focus increasingly on source countries where the trade and trafficking organizations are most confined and vulnerable. The funding level reflects our most extensive effort yet to integrate police and military law enforcement activities, training, and sustainable economic growth into comprehensive regional and country counter-narcotics programs."⁴

The Administration proposed allocating \$165.9 million to "regional and country counternarcotics" activities in Latin America, of which \$68 million would be allocated to Bolivia, \$40 million to Colombia, and \$42 million to Peru. (Drawing on estimates of obligations for 1993 and 1994, Table A-2 compares the President's request with funding for prior years, by country.) The President's *National Drug Control Strategy* briefly describes programs for each country as follows:

"The economic, political, and security situation in Bolivia, the second largest producer of illicit coca, provides an opportunity to implement a new comprehensive narcotics control program that focuses on developing the institutional capabilities of counternarcotics police and military law enforcement, coca eradication, sustainable economic growth, judicial reform, and public drug awareness, and prevention."⁵

"The Colombian trafficking organizations remain the largest suppliers of cocaine to the U.S. and pose a serious security threat to the Colombian government. Program funds will support counternarcotics police and military and law enforcement activities; eradication of coca and poppy cultivations; public awareness and drug prevention; and judicial reform."⁶

"Strong funding for Peru, the largest producer of coca, is important to a successful counternarcotics strategy in Latin America. Funding will support an integrated Peruvian strategy to provide judicial reform, dismantle key Peruvian trafficking organizations, and provide sustainable economic growth to communities that support the eradication of coca cultivations. The program includes assistance to police and other law enforcement agencies, local and national government agencies involved

4. Ibid., p. 134.

5. Ibid., p. 134.

6. Ibid., p. 134.

TABLE A-2. FUNDING FOR COUNTERNARCOTICS ACTIVITIES IN COLOMBIA, PERU, AND BOLIVIA: A COMPARISON OF THE CLINTON ADMINISTRATION'S REQUEST FOR 1995 AND ESTIMATES OF OBLIGATIONS FOR 1993 AND 1994
(By fiscal year, in millions of dollars)

	1993	1994	1995
Colombia	70	30	40
Peru	38	19	42
Bolivia	<u>107</u>	<u>49</u>	<u>68</u>
Total	215	98	150

SOURCES: Congressional Budget Office based on data from the Agency for International Development, Office of Planning and Budget, Finance and Administration; Agency for International Development, *Congressional Presentation* (fiscal year 1994); Defense Security Assistance Agency, Legislative and Planning Division; Department of State, Bureau of International Narcotics Matters; Department of State, Office of Legislative Affairs; and Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs* (fiscal year 1994); and Office of National Drug Control Strategy, *National Drug Control Strategy, Budget Summary* (February 1994), pp. 134-135.

NOTES: The figures for 1993 and 1994 include funding for foreign military financing, international military education and training, Economic Support Fund, development assistance, and International Narcotics Matters programs. The figures for 1995 include funding for those programs, now under the International Narcotics Control program, which is the central component of the President's consolidated budget for the International Narcotics Trafficking, Terrorism, and Crime Bureau. This table does not include funding for Drug Enforcement Administration activities.

The figures for 1993 and 1994 are rounded to the nearest million.

in sustainable economic growth, and public awareness and education activities."⁷

7. Ibid., pp. 134-135.

APPENDIX B: PROGRAMS, PROJECTS, AND OPERATIONS SUPPORTING THE ANDEAN INITIATIVE

Several federally funded programs, projects, and operations have supported the Andean Initiative in Colombia, Peru, and Bolivia.¹ Among them, foreign military financing (FMF) and international military education and training (IMET) programs, narcotics-related Economic Support Fund (ESF) and development assistance projects, the bilateral programs of the Bureau of International Narcotics Matters (INM), and the foreign offices and coordinated operations of the Drug Enforcement Administration (DEA) are highlighted in this report. Moreover, other resources have been allocated through trade benefits, military drawdown, and transfers of excess defense articles (EDA).²

Military Assistance

Military assistance consists of funding for FMF and IMET programs in Colombia, Peru, and Bolivia. Although some of the assistance may be used for law enforcement, this paper refers to all FMF and IMET under one heading.³

In general, host governments use FMF to acquire U.S. military articles, services, and training. In particular, FMF provides financing for "modern military equipment, permitting host governments to engage in the defense of their countries against drug traffickers."⁴ (For the most part, the FMF program provides grants, but in some cases it offers low-interest loans.) IMET, according to the Administration, "provides a variety of training to host government forces, including aviation operations and maintenance, and boat handling in support of counternarcotics operations."⁵

In addition to FMF and IMET, the President has limited authority to draw down defense articles and services, provide military education and

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1. The following descriptions are based on narratives appearing in: Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary* (January 1992); U.S. Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs* (fiscal year 1994); explanations provided by the agencies; and legislative language. Unless otherwise noted, this discussion does not take into account any new information provided in the 1994 *National Drug Control Strategy* and may not be applicable after 1994.
 2. Trade benefits are discussed separately in Box 3.
 3. The Defense Security Assistance Agency carries out the FMF and IMET programs under the auspices of the Department of State's Bureau of Politico-Military Affairs.
 4. Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary*, pp. 152-153.
 5. *Ibid.*, p. 153.

training for counternarcotics assistance, and transfer EDA from U.S. military stocks (see the discussion below on noncash assets).

Economic Assistance

Economic assistance consists of funding for narcotics-related development assistance and ESF projects in Colombia, Peru, and Bolivia.⁶ The 1992 publication of the *National Drug Control Strategy, Budget Summary* provides general description of both programs:

"Development Assistance (DA) is designed to accelerate economic growth, alleviate hunger, improve health and education, and alleviate unmanageable population pressures."⁷

"The Economic Support Fund (ESF) advances U.S. economic, political, and security interests by offering economic assistance to allies and developing countries of strategic importance to the U.S. A portion of ESF is used to finance project activities, but the primary use is to provide balance of payment support through the provision of direct financial assistance (cash transfer) or the financing of commodity imports. . . ."⁸

The same publication lists five types of alternative development activities aimed at combating illegal narcotics, namely, "area-targeted development, narcotics awareness programs, balance of payments support, improvements in the administration of justice, and projects to provide alternative sources of income and foreign exchange as counter-narcotics efforts succeed."⁹

6. The Agency for International Development carries out both programs. It carries out the Economic Support Fund program "with overall foreign policy guidance from the Secretary of State." See Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs*, p. 38.

7. Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary*, p. 12.

8. *Ibid.*, p. 12.

9. *Ibid.*, p. 13.

Law Enforcement

Law enforcement consists of funding for INM's bilateral programs in Colombia, Peru, and Bolivia. INM's regional and interregional programs provide additional support.¹⁰

INM's bilateral programs (also referred to as "country programs") provide support for interdiction, crop production control (including funding for alternative development), drug prevention and education, and program development and support, including INM's contribution to Operation Snowcap.

In addition, INM operates regional and interregional programs. Some of those programs provide support for the Andean Initiative (for example, the interregional air wing has been active in Peru and other countries), but their costs are accounted for separately and are not included in this paper's tables of funding. In some cases, however, they can be traced to one of the three countries.

DEA Support

The Department of Justice's Drug Enforcement Administration operates field offices in Colombia, Peru, and Bolivia, and contributes to Operation Snowcap. According to the *National Drug Control Strategy, Budget Summary*, the special agents assigned to DEA's foreign offices "establish diplomatic liaison with host countries and provide investigative assistance and training."¹¹

In coordination with INM, DEA began Operation Snowcap in 1987 as a special enforcement program aimed at suppressing the production of and trafficking in cocaine in Latin American source countries, particularly Bolivia and Peru.¹² Teams of DEA special agents, in support of host-country law enforcement organizations, participate in jungle and riverine operations against cocaine-producing laboratories and transportation routes. Special agents volunteer from DEA's domestic offices for 90-day tours of duty (the costs associated with those personnel are accounted for separately). All

10. The Bureau of International Narcotics Matters is the lead bureau for international narcotics control at the Department of State.

11. Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary*, p. 92.

12. The Drug Enforcement Administration provided the information for this summary.

enforcement efforts of Operation Snowcap are coordinated and conducted in cooperation with law enforcement officials in host countries.

Noncash Assets

Under current law, "noncash assets" consist of EDA offered for transfer under section 517 of the Foreign Assistance Act of 1961 (FAA), as amended, and drawdown of military equipment and services authorized under section 506(a)(2) of that act. (In the past, noncash assets also included EDA offered for transfer under section 519 of the FAA.)

Defense articles no longer needed by the U.S. armed forces (EDA) may be either sold to eligible countries under the Foreign Military Sales program or transferred under provisions of the FAA, as amended.¹³ Section 5 of the International Narcotics Control Act of 1989 (P.L. 101-231) amended the FAA by adding section 517: "Modernization of Military Capabilities of Certain Major Illicit Drug Producing Countries." Under section 517 the President has limited authority to transfer EDA "for the purpose of encouraging the military forces of an eligible country in Latin America and the Caribbean to participate with local law enforcement agencies in a comprehensive national antinarcotics program. . . , " at no cost to the recipient country.¹⁴ In addition, EDA transfers were offered to Colombia and Bolivia in 1991 and 1992 under section 519 of the FAA, as amended.¹⁵ Under current law, however, section 519 "may not be exercised with respect to any major illicit drug producing country or major drug-transit country in Latin America or the Caribbean."¹⁶

Section 506(a)(2) of the FAA, as amended by section 551 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990 (P.L. 101-167), "authorizes the President to draw down defense articles and services, and provide military education and training for counternarcotics,

13. Department of State and Defense Security Assistance Agency, *Congressional Presentation for Security Assistance Programs*, p. 74

14. See section 517 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2321k). Section 9 of the International Narcotics Control Act of 1992 (P.L. 102-583) amended the heading of section 517, by striking out "Military Capabilities of Certain Major Illicit Drug Producing" and inserting in lieu thereof "Counternarcotics Capabilities of Certain." In addition, it amended the text of section 517 (quoted above) to read, "for the purpose of encouraging the military forces and local law enforcement agencies of an eligible country in Latin America and the Caribbean to participate cooperatively in a comprehensive national antinarcotics program. . . ."

15. See section 596 of the Foreign Operations, Export Financing, and Related Appropriations Act of 1991 (P.L. 101-513) and section 519 to the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2321m).

16. See section 9 of the International Narcotics Control Act of 1992 (P.L. 102-583) and section 517 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2321k).

disaster relief, or refugee assistance upon making a determination that it is in the national interest."¹⁷ Section 506(c) authorizes "appropriations for reimbursement of applicable funds," but such appropriations have not been granted in recent years. (Before 1990, section 506(a) of the FAA provided drawdown authority for unforeseen emergencies, but did not provide specific authority for international narcotics control.)

17. Office of National Drug Control Policy, *National Drug Control Strategy, Budget Summary*, p. 24.

